

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

July 30, 2001
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Mosher, Deputy Mayor Marshall, Councilmembers Creighton, Davidson, Degginger, Lee, and Noble

ABSENT: None.

1. Call to Order

Deputy Mayor Marshall opened the meeting at 6:00 p.m. and announced recess to executive session for approximately 45 minutes to discuss two items of pending litigation and two items of potential litigation. The study session resumed at 7:03 p.m. with Mayor Mosher presiding.

2. Study Session

- (a) Discussion with Puget Sound Energy on cooperative arrangement with Cascade Water Alliance to develop Lake Tapps as a regional water supply

City Manager Steve Sarkozy introduced Michael Gagliardo, Cascade Water Alliance, to discuss the establishment of a cooperative agreement with Puget Sound Energy (PSE) that will develop Lake Tapps as a regional water supply. Mr. Gagliardo said last week the Cascade Water Alliance Board approved the Memorandum of Understanding (MOU), which will be forwarded to Puget Sound Energy for their review. He said Cascade and PSE jointly selected a consultant team and a kickoff meeting has been held with the state Department of Ecology to initiate the final water permit. Mr. Gagliardo noted that PSE Vice President Bill Gaines was in attendance earlier but had to leave due to another commitment.

Mark Quehrn, PSE Legal Counsel, explained that Lake Tapps is a reservoir for the White River hydroelectric project. Although the project was initiated in the early 1900s, the Federal Energy Regulatory Commission (FERC) advised Puget Sound Energy in the 1960s that it needed to file a license application. In 1997, the license for this project was issued. This established new terms and conditions for PSE to meet in order to continue the project's operation, which led to an appeal of the license and related litigation. In 1998, the Lake Tapps Task Force composed of citizens, agencies, and PSE representatives decided to work together to resolve the issues and

maintain operation of the reservoir. The task force identified an alternative to develop the reservoir as a source of municipal water.

Continuing, Mr. Quehrn said PSE initiated an application approximately one year ago to secure municipal water rights for Lake Tapps. Shortly thereafter, Cascade Water Alliance expressed an interest in the project. Mr. Quehrn said the Memorandum of Understanding provides parameters for continued work in this effort and the opportunity for Cascade to develop a municipal water supply. He said PSE is pleased to be working with Cascade and the City of Bellevue.

Councilmember Degginger feels this is an exciting and rare opportunity for Cascade. Mayor Mosher and Dr. Davidson expressed support for the project as well.

In response to Mr. Creighton, Mr. Degginger said Bellevue's share of the Cascade costs will be approximately \$200,000. Mr. Degginger said this new water supply source offers the flexibility of a true regional system that meets the needs of both people and fish.

Mr. Lee expressed support for the proposal. He requested clarification regarding the \$30 million shortfall for Puget Sound Energy resulting from conditions of the proposed FERC license. Mr. Quehrn said the shortfall is not covered by the MOU. However, the issuance of municipal water rights will add value to PSE's assets and this value provides a basis for PSE to sell the water rights to Cascade Water Alliance. Mr. Quehrn said the Lake Tapps Task Force will continue to review a number of revenue-enhancing options as well as the water rights issue.

Mr. Gagliardo said the long-term business relationship between PSE and Cascade is yet to be fully developed. Cascade's goal is to provide a municipal water supply at a reasonable cost to the end user.

Deputy Mayor Marshall thanked the participants and praised the proactive approach to establishing a water supply for Bellevue and other cities.

Mayor Mosher said the development of new water supplies is critical for the region. In response to Mr. Mosher, Mr. Gagliardo said the water rights application is currently in PSE's name. The transfer of water rights and a number of other details are still to be worked out. Mr. Quehrn said it is premature at this point to determine what the value of the water rights will be.

Mayor Mosher expressed Council's appreciation for the development of the Cascade-PSE partnership.

At Mr. Sarkozy's request, there was Council consensus to discuss agenda item (c) next.

(c) 140th Avenue Corridor Improvements – Budget Issues

Mr. Sparrman noted a motion to increase the budget for the 140th Avenue Corridor Improvements project on the Regular Session's Consent Calendar tonight.

David Berg, Transportation Assistant Director, described the request for a project budget increase of \$720,000 to proceed with construction. Project elements include a center turn lane on 140th Avenue between NE 8th and SE 8th Streets, landscaping, sidewalks, bike lanes, sound walls, and street lighting. Mr. Berg recalled that Council modified the scope of this project in January 2000 to add the sound walls. Rights of entry for construction have been acquired from the 40 affected property owners, who have accepted the sound walls and donated portions of their property to allow construction. Compensation for Sammamish High School property is pending and expected to be finalized in the coming months. An open house with the community in February 2001 indicated widespread support for the project. Construction is expected to be completed by October 2002.

Les Wagner, Project Manager, reviewed the current budget and projected final expenditures. He noted two potential options to reduce the budget. The elimination of landscaping and irrigation items could reduce the project budget by \$500,000. The elimination of sidewalks along one side of the street would result in a cost savings of less than \$100,000. Mr. Wagner noted, however, that the elimination of sidewalks affects both pedestrian safety and access. He said staff is requesting a \$720,000 budget increase to be funded through savings from existing CIP (Capital Investment Program) projects. Staff responded to brief clarifying questions from Council.

- (b) Transportation Facilities Plan (TFP)
(Council action on the TFP and Impact Fee Project List is scheduled for August 6. The draft Impact Fee Schedule will be presented to Council for action following the August recess.)

Mr. Sarkozy noted that the 2001-2012 Transportation Facilities Plan (TFP) will serve as an intermediate link between the long-term Comprehensive Plan and the near-term Capital Investment Program (CIP) Plan.

Kris Liljeblad, Transportation Assistant Director, said the TFP serves as an intermediate-range planning tool. It bridges the Comprehensive Plan, the City's long-range planning document containing elements such as the Central Business District Plan and the Pedestrian/Bike Plan, with the short-range CIP Plan. In addition, emerging safety and maintenance needs are added to both the CIP and TFP on a continuing basis. Further, the TFP provides environmental disclosure through the TFP Environmental Impact Statement and establishes the related impact fee program.

Eric Miller, Capital Programming Manager, said revenues for transportation projects come primarily from the following revenue sources: General CIP, transportation-dedicated funds, impact fees and developer contributions, and grants and other agency contributions. The Transportation Commission and the public provided input into the project prioritizing process. Mr. Miller said staff will work with the Transportation Commission to develop an Impact Fee Schedule for Council consideration in the fall.

Ron Matthew, Transportation Commission Chair, noted the July 12 memo in the Council packet regarding the recommended 2001-2012 TFP Update.

(d) Cable Television Franchise Update

Discussion of this agenda item was deferred to the regular session.

At 7:58 p.m., Mayor Mosher declared recess to the regular session.

Myrna L. Basich
City Clerk

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